



# Shepherd of the Hills United Meth

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Sun City West, AZ 85375-3730

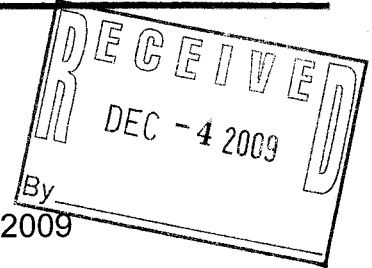
RECEIVED

Pastor Larry M. Gerber  
Senior Pastor

2009 DEC -9 A 11: 34

ORIGINAL

Arizona Corporation Commission  
ACCOUNTS RECEIVABLE CONTROL

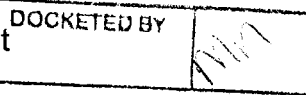


Arizona Corporation Commission

DEC -9 2009

December 1, 2009

Commissioners Wing  
1200 West Washington St  
Phoenix, AZ 85007-2996



W-01303A-08-0227  
SW-01303A-08-0227

Subject: Arizona American Water Company

Dear Commissioners,

I am writing this letter in protest of the service, billing practices, customer assessed costs and cooperation received from the Arizona American Water company. You will find a copy of a letter attached that was sent to Mr. Max Wilson, Maricopa County Supervisor. Unfortunately, Mr. Wilson found it unnecessary to respond to the problem or to take the time to advise us that we should take the matter up with the Corporation Commission. Since the time of the letter, numerous additional problems have developed and created much consternation and financial loss to Shepherd of the Hills United Methodist Church (SHUMC).

Let me start with events following the installation of the new irrigation meter on 15 June 2009. We (SHUMC) received water bills for the main meter and the irrigation meter in July, August, September and October. After our administrative staff received the August bill, they notified the Trustee Office and asked that we review the billing to make sure everything was proceeding as we had expected and that we were achieving the savings on sewage costs as expected. A review of the bills revealed that we were in fact being charged for the same water twice. I contacted the Sun City Office of Arizona American Water and asked why this was happening. When I explained that the water measured on the irrigation meter should have been deducted from the main meter service since the irrigation meter was on the same line and measured the water that went to irrigation systems on the Church Campus. The water company informed me that they could not do that. Their billing system does not allow them to deduct one meter from another and compute sewage charges minus the irrigation volume.

I asked them what needed to be done to correct this. The water company said that we had to have a separate service line installed for irrigation, the meter had

to be moved to that line, and then separate bills would reflect the reduced costs associated with the sewage charges. At the same time the Water Company informed me that there had been an error in the previous main meter billings going all the way back to April 2008. They informed us that we had been billed a fixed rate charge of \$150.16 based upon the number of restrooms in the facilities and this was incorrect and would be refunded to the Church in the next few months as soon as the Commission approved the change. I had previously been told that this charge was based upon the volume of sewage, which was the central reason that we embarked on the project of installing a meter for our irrigation lines. I asked the water company to change the meter location and connect it to the new service line that they installed off our main service line. At that time, I was informed that there would be an additional charge of \$580 for the meter. When I pursued this added cost, I was told that it was the cost for installing a new two-inch meter. When I protested saying we had already paid for a two-inch meter that was only being relocated I was informed that we had not paid the right meter cost the first time it was installed. Our meter cost was now \$2220.

Following the reinstallation of the irrigation meter I requested the water company to go back over the billings for the period June 15 through September 27, the date the meter was reinstalled on the new service line, I must point out that the original installation of the irrigation line meter was inspected by the water company and they were well aware that the meter was on the main service line and after the main meter. Their Water Distribution Foreman, Mr. Rigo Comacho personally visited the Church meter site and acknowledged that the Water Company should not have allowed the first irrigation meter installation site. This decision was provided to us 4 months after the initial installation was made by his personnel. In view of the errors created by Arizona American Water and their failure to properly advise us of their policies and billing procedures, I requested refunds of all the irrigation meter billings with the exception of that water that went to irrigation and a recomputation of the costs where a reduction in sewage volume was seen based upon the prior irrigation meter readings. I was advised that they would refigure the billings.

The Church received a letter advising us that we would be credited with a refund of \$183.54 for the period that the irrigation meter was in the wrong location, approximately 4 months. I provided a letter to the Sun City Office of Arizona American Water expressing our objections to the amount that they were planning to refund, copy attached. The letter was hand carried to their office on 2 November. I was advised that they would look into it and develop a spreadsheet showing how they had arrived at the rebate amount. The Church was billed \$559.40 for the irrigation line water for the period and the water company was only going to reimburse us \$185.54.

On 19 November, I met with Mr. Karl Wilkens at the Sun City Office. Mr. Wilkens reviewed the Water Company spreadsheet that described how they arrived at their rebate figure of \$185.54. I was absolutely amazed at how the Water

Company configured its billing. For each of the 4 months the Water Company calculations showed that there were charges in excess of \$95 that were fixed costs that applied to the irrigation meter that they would not refund. Instead of saving money each month by separating the irrigation water from the general use, water the Church has experienced a loss of \$389. At no time during the many conversations between the Water Company and SHUMC did the Water Company explain the amount of fixed costs associated with the additional meter. I asked why they did not provide any of these details when we conducted our evaluation of sewage cost savings. Once the excess sewage charges were removed from the main meter billing and the high cost of the fixed charges was exposed on the irrigation meter, it made no sense for the Church to separate the lines. As such, we are in the process of restoring the water lines to their original configuration followed by the removal of the second meter. We asked that we be reimbursed for the expense of the second meter, \$2240, in light of the fact that the Water Company failed to provide us with accurate information on the sewage charges, failed to advise us that the initial installation of the irrigation meter was in the wrong configuration, failed to inform us of the high fixed charges associated with a second meter, and failed to provide accurate and meaningful information during our many inquiries that would have prevented this exercise in expense and futility.

We also believe that Arizona American Water Company should provide its commercial customers with a detailed explanation of the charges listed in their billings. This detailed description should describe all fixed costs as well as the variable costs. The fact sheet should be provided to customers annually and anytime there is a change to the fixed or variable rates.

Sincerely,



Arthur E. Miller  
Vice Chair, SHUMC Trustees

Enclosures;

1. Letter of Complaint to Mr. Max Wilson, Maricopa County Supervisor
2. Letter to Arizona American Water Company, Water Bill Errors
3. Arizona American Water Rebate Spreadsheet
4. Irrigation Bills Monthly rebate and fixed cost analysis



# Shepherd of the Hills United Methodist Church

Phone: 623-584-2280  
Fax: 623-584-1868  
E-mail: church@shepherdofthehills.org

13658 W. Meeker Boulevard  
Sun City West, AZ 85375-3730



Pastor Larry M. Gerber  
Senior Pastor

*Marion story -  
great letter -  
thank you very much!*  
*LH*

**COPY**

Max Wilson  
Supervisor, Maricopa County  
County Administration Building  
301 W. Jefferson Street  
Phoenix, AZ 85003-2143

Subject: Complaint against Arizona American Water Co.

17 June 2009

I am writing this Letter of Complaint in behalf of the Shepherd of the Hills United Methodist Church in Sun City West, AZ serving a congregation in excess of 1300 members. We feel that the service and assistance provided by Arizona American Water leaves much to be desired and call this to your attention in your capacity as Maricopa County Supervisor.

I serve as the Vice Chair of the Trustees Committee. One of the many functions of the Trustees in service to the church is to seek ways to reduce operating costs. In December of 2008 we initiated a study of the Church's water and sewage bills. The study revealed that sewage costs charged by Arizona American Water (AZAMW) were based upon the water meter readings. In as much as the church uses a significant amount of water for irrigation of the plants and trees on our campus, AZAMW was contacted to inquire into the feasibility of installing a water meter in our main irrigation line in order to remove the total volume of water that goes to irrigation from the calculation of sewage costs. The proposal was based on the fact that our total water usage in August of 2008 was extremely low in comparison to other months of the year. We had turned off the irrigation system during August because we determined that the landscape plants and trees were getting sufficient water from the monsoon rains. Where our monthly water usage averaged about 90,000 gallons for the past two years (only records still on file), August usage was only 39,000 gal.

When the sewage charges for August were scrutinized in detail, it was discovered that the church had been overcharged by approximately \$150. On 17 February 2009 AZAMW was contacted. The person spoken to was a woman by the name of Marion. The possibility of installing a separate water meter to measure the water usage for irrigation and deducting this usage from the total usage each month was discussed as was the matter of the overcharge for sewage on the August bill. I was told that this could be done. We would have to pay for installation of the additional meter which was estimated to be \$2,000. Marion reviewed the bill file and advised me that I had misread the information. While I described to her the information posted on the bill before me, she told me that the data in the bill was not what it appeared. I decided not to pursue the overcharge any further at that time because there was an obvious disconnect between the two of us. I needed to study the information in more detail and discuss with the Trustee Committee the matter of a separate water meter and verify that all our irrigation water was flowing through a separate line from the main water line to the church campus.

ENCL 1

On 3 March I contacted AZAMW again and spoke with Kim. I reviewed the August bill with her. After this detailed review she acknowledged that they had indeed made an error and we were entitled to a rebate of the overcharges. I asked about the meter installation and was directed to contact the Sun City Office. On 4 March I contacted the Sun City Office and talked with Lola about the procedure the Church needed to take to in order to have a separate water meter installed on our irrigation main line so that we could have that amount of water deducted from the sewage cost calculations. She advised me that the contractor that was installing the water line should contact her office and submit the request. I advised her that we did not have a contractor. The water line was in existence. She insisted that we contact our Plumbing Contractor and have him take care of the coordination. I could not make her understand that the Trustees had the capability to do repairs to utility services and equipment wherever possible and that we did not have a contractor. When I asked her what needed to be done to have the meter installed she again told me that the contractors knew what to do. I asked if a service representative from AZAMW could come out and look at the water line to determine what size meter was needed. Lola advised me that was our responsibility. They only sent out a representative when new construction was to take place. I ended the conversation as I could not seem to make her understand that we intended to do the work with our own staff and she could not get beyond it being a contractor responsibility.

After further discussion with fellow Trustee members and maintenance service staff, we decided to place an order for the meter. On 17 March I contacted Lola again. I asked for the form(s) necessary to order a new meter installation and the cost. We had determined that the irrigation line was a two inch line and therefore a two inch meter was required. Lola quoted the cost at \$1640. I verified that this cost was for installation of the meter. The order form was submitted on 19 March 2009 with payment. Two weeks later AZAMW was called and I asked that the meter installation be scheduled. The day the meter was to be installed, Water Distribution personnel from AZAMW arrived at church to install the meter. Much to our surprise, they informed Mr. Frank Amos, Trustee Chairman, who happens to be a Facilities Maintenance and Repair Mechanic and plumber, that all the site preparation work had to be done by us and the installation by AZAMW consisted on putting the meter between the fittings and tightening four bolts. Mr. Amos asked what the \$1640 was for. They said it was for the cost of the meter. Mr. Amos asked if we would then own the meter. They told us that AZAMW would still own the meter and the \$1640 was for installation and use of the meter. We asked, 'Aren't those costs included in the water charges?' We were told that the \$1640 was for installation only.

They described for us the dimensions and layout of the water lines necessary to accommodate the installation of the meter and provided us with one brass valve fitting needed to connect the line to the meter. The water distribution crew told us to contact the Sun City Office once we had all the excavation and water line construction completed and they would come back and simply bolt the meter in place. They left the business card of their supervisor, Mr. Rigo Camacho. Subsequent to this meeting, I called the Sun City Office several times in an effort to clarify issues related to the plumbing connection interfaces and every time was connected to Lola's answering machine. None of my calls were answered. I even left my home phone number as a contact.

We proceeded to purchase the parts we needed and on June 9th we completed the site preparation. I called the Sun City office and got the answering machine again. I then called Mr. Camacho. I told Mr. Camacho that we were ready for installation of the water meter. He advised me that he had to have a work order to do the installation. I asked if he could do it on Thursday, 11 June. He said he couldn't do anything without a work order and that I had to call Lola. I told

him that all I ever get anymore is an answering machine. I called and left a message that we wanted the meter installed on Thursday. On Wednesday, 10 June, I went to the Sun City Office and spoke to the service person at the customer service window (Paul). I told him what I needed. He looked up our account and informed me that he already had a work order for the meter installation and that it was scheduled for 11 June.

On Thursday, 11 June, we waited for AZAMW to show up at the church. At 2:00 PM I tried to contact the Sun City Office since no one had yet arrived. Again I got the answering machine. I decided to call Mr. Camacho. He told me that he didn't have a work order for the job. I told him that I had seen the work order on Wednesday at the Sun City Office. He advised me that even though the work order said 11 June, 'he scheduled the work, not the office.' The Sun City office was called again. Once again, an answering machine. This time I called again and selected the option to transfer the call to another office. I was connected to the Phoenix Office and talked to Paula. I explained my problem. She advised me to stand by and she would look into the matter and get back to me. Shortly after that I received a call from Lola. I asked what happened to the work order for installing the meter. She told me that she had put it in Mr. Camacho's box. I told her he said he didn't have it. She then proceeded to tell me that they did not commit to a specific day for installations. If an emergency water problem came up the crew would have to respond to that need first. I understood that and then suggested that if such an emergency occurred AZAMW would inform any customer awaiting a scheduled meter installation of the problem and a revised scheduled date. She advised me that they don't do that. Their procedures allow for a five day window for installation. I suggested that AZAMW would then inform the customer of the intended date of installation. She told me AZAMW does not call the customer and tell them when the work is to be done. They just show up, install the meter and leave. No testing or verification by the customer to ensure the meter is installed correctly. They don't even call to let the customer know that the work is done.

On 15 June, AZAMW water distribution personnel arrived and installed the meter. Staff at the church had been advised to be watchful and notify Trustee staff when AZAMW arrives to install the meter. Their arrival was noticed and Trustee staff were notified and on site for the installation.

We don't believe we received the right kind of service from AZAMW needed to help us complete this project. The installation was delayed three months because we couldn't get satisfactory assistance from AZAMW. Obviously we didn't get very much in the way of service for our \$1640. In retrospect, "Why didn't they just give us the meter and we could have notified AZAMW when the work was done and they could simply come out and inspect the work and run any tests necessary to make sure everything was done to their standards?"

You have the condensed version of this saga. There is one obvious problem. AZ Water does not have good customer service practices. They apparently are so used to dealing with contractors that others, such as a Church Trustee Staff, should not be involved with such issues because we apparently (in their minds) are not qualified contractors. They assume people such as us are ignorant and to reinforce this attitude they fail to provide the details of a procedure or process until after the customer calls back and questions the matter. The crowning defiance is when they tell the customer, after the fact, that they have 5 days in which to respond and they have no obligation to inform the customer of anything.

We at Shepherd of the Hills United Methodist Church believe that the County Commissioner has a vital role in its oversight capacity of Arizona American Water to ensure that customers are not overcharged for the services provided, customer service policies are focused on responsiveness to the customer and that technical advice and support is provided to individual customers even though they are not contractors. It is hard for us to accept the fact that we are paying \$1640 for

installation of a water meter when there isn't any real "installation" work done by AZAMW and the customer doesn't in the end own the meter.

151

Arthur E. Miller  
LTC (Ret.) USA PE  
Trustee Vice Chair

151

Frank Amos  
Maintenance Mechanic  
Trustee Chairman

Arthur E. Miller  
12922 West Rampart Drive  
Sun City West, AZ 85375  
623-975-7627  
1 November 2009

Arizona American Water  
Sun City Office  
Attn: Rebecca

Subject: Shepherd of the Hills United Methodist Church Water Bill Errors.

This letter is written in behalf of the Shepherd of The Hills United Methodist Church (SHUMC). It concerns the incorrect billing for water and sewage to the Church. The Church has two accounts:

General facilities water & sewage Account #23-0026744-6  
Irrigation System water Account # 23-034206-2

The irrigation water meter was installed on 15 June incorrectly per the instructions from AZ American water. On 27 September the water meter was installed on a new service line after AZ American Water inspected the site and corrected the installation.

Between these dates AZ American water billed SHUMC twice for the same water, once when it went through the meter on the main line and a second time when it went through the second incorrectly installed meter. This error was discussed with your office by the undersigned and it was agreed that AZ American water needed to refund SHUMC for the double billing for the same water.

On 17 October, SHUMC received a letter from AZ American Water which stated the refund amount was \$183.54 for the double billing for the period 6/15/09 through 9/30/09. I immediately contacted your Customer Service Department at 1-800-383-0834 and spoke with Felicia. I reviewed the four billings for the incorrectly installed irrigation line meter and advised her that a gross error had been made by the Billing Department. She said she would contact the Billing Department and have the matter corrected. I asked that they contact me if they need clarification on what needed to be done. No one contacted me to this date.

SHUMC should be credited as follows:

June 15-July 8 <sup>th</sup> billing	\$124.41
July 8 <sup>th</sup> to Aug 8 <sup>th</sup> billing	\$144.99
Aug 7 <sup>th</sup> to Sep 9 <sup>th</sup> billing	\$134.29
Sep 9 <sup>th</sup> to Sep 27 <sup>th</sup> billing	\$155.71

In addition to these amounts, AZ American Water needs to go back and recompute the sewage charges as they are incorrect. When the irrigation water meter quantities are deducted from the main meter sewage calculations, the sewage charges are overbilled. For the period Jul 8 to Aug 7, sewage was billed based upon 54k gals used. However, 27kgal went to irrigation. Therefore the billing for sewage should be adjusted down to 27kgal which should result in an addition refund of \$27.35. The same is true for the Aug 7 to Sep 9<sup>th</sup> bill where sewage was billed for the full 40kgal when in fact the sewage amount should have been adjusted down to 36kgal when the irrigation line water amount



was subtracted from the main line total water. Finally, the Sep 9 to Sep 27 main water was 60kgal and the irrigation line meter showed 32kgal. Therefore the sewage costs should be based on a total of 28kgal instead of the full 40kgal as billed. My calculations indicate the following excess sewage charges should also be reimbursed:

Jul 8 to Aug 7<sup>th</sup>      \$27.35

Aug 7 to Sep 9      \$ 8.43

Sep 9 to Sep 27<sup>th</sup>      \$25.24

There may be other credits due SHUMC based on a recomputation of taxes when the billing adjustments are made.

Request AZ AM Water correct their errors and perform a proper credit adjustment to SHUMC. We were also led to believe that the addition charge of \$580 for the new service line was not going to be billed to the Church because of the errors made by AZ AM Water. Please clarify this credit as well.

Should this matter not be resolved to the satisfaction of SHUMC within the next 30 days, we intend to take the matter to the Maricopa County Board of Supervisors.

Sincerely,



Arthur E. Miller

LTC (Ret) USA

Vice Chair, Trustees Committee

Account #: 26744 NAME: Shepherd Of Hillis  
PRM#: 230022538

Entered by: Neki' Stewart

LLID	Billing Period	Basic Service	Water Volume	Rate	Dollar Amount	GW Withdrawal	Arsenic Recovery	ACC	Water Use Tax	Sewer Volume	Sewer Rate	Sewer Dollar Amount	Ser Chrg & Water	
													Billed	
13/2009	6/8/09-7/8/09		12.00	1.285	15.42	0.12	6.45	0.03	0.07			0.00		\$22.09
12/2009	7/8/09-8/7/09		27.00	1.285	34.70	0.27	14.50	0.06	\$0.17	13.00	2.10	27.33	0.03	✓ 77.65 \$92.43
14/2009	8/7/09-9/9/09		21.00	1.285	26.99	0.21	11.28	0.04	\$0.13	4.00	2.10	8.41	0.01	✓ 47.57 \$58.16
11/3/2009	9/9/09-10/8/09		18.00	1.285	23.13	0.18	9.67	\$0.04	\$0.11	2.00	2.10	4.20	0.00	\$41.44

Ars Rec  
\$ 34.73 / mo  
+ .5373 / kgal

MONTHLY SER  
\$ 47.05

# IRRIGATION METER BILLING ANALYSIS AND REBATES

Month	June 15 - July 8			July 8 - August 7			August 7 - Sept 9			Sept 9 - October 8		
	Billed	Rebate	Fixed Cost	Billed	Rebate	Fixed Cost	Billed	Rebate	Fixed Cost	Billed	Rebate	Fixed Cost
Billing Summary												
ACC Charge	\$0.06	\$0.00	\$0.06	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Establish Charge	\$30.00	\$0.00	\$30.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Basic Service	\$36.07	\$0.00	\$36.07	\$47.05	\$0.00	\$47.05	\$47.05	\$0.00	\$47.05	\$47.05	\$0.00	\$47.05
Water Volume (\$1.285xkgal)	\$15.42	\$15.42	\$0.00	\$34.70	\$34.70	\$0.00	\$26.99	\$26.99	\$0.00	\$41.12	\$23.13	\$0.00
Groundwater Savings Fee	\$2.09	\$0.00	\$2.09	\$4.70	\$0.00	\$4.70	\$3.65	\$0.00	\$3.65	\$5.57	\$0.00	\$5.57
Groundwater Withdrawal Fee	\$0.12	\$0.12	\$0.00	\$0.27	\$0.27	\$0.00	\$0.21	\$0.21	\$0.00	\$0.32	\$0.18	\$0.24
Arsenic Recovery	\$33.08	\$6.45	\$26.63	\$49.24	\$14.50	\$34.74	\$46.01	\$11.28	\$34.73	\$51.92	\$9.67	\$42.25
ACC Regulatory Assess Fee	\$0.14	\$0.03	\$0.11	\$0.29	\$0.06	\$0.23	\$0.27	\$0.04	\$0.23	\$0.32	\$0.04	\$0.28
Late Payment Charge	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2.16	\$0.00	\$2.16	\$0.00	\$0.00	\$0.00
ACC Waste	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.01	\$0.00	\$0.00	\$0.00	\$0.00
State Tax	\$6.54	\$0.00	\$6.54	\$7.62	\$0.00	\$7.62	\$6.94	\$0.00	\$6.94	\$8.18	\$0.00	\$0.00
County Tax	\$0.81	\$0.00	\$0.81	\$0.94	\$0.00	\$0.94	\$0.87	\$0.00	\$0.87	\$1.02	\$0.00	\$0.00
Water Use Tax	\$0.08	\$0.07	\$0.01	\$0.18	\$0.17	\$0.01	\$0.14	\$0.13	\$0.01	\$0.21	\$0.11	\$0.10
<b>TOTALS</b>	<b>\$124.41</b>	<b>\$22.09</b>	<b>\$102.32</b>	<b>\$144.99</b>	<b>\$49.73</b>	<b>\$95.29</b>	<b>\$134.29</b>	<b>\$38.66</b>	<b>\$95.63</b>	<b>\$155.71</b>	<b>\$33.13</b>	<b>\$95.49</b>
Sewer Savings		\$0.00			\$27.33			\$8.41			\$4.20	
<b>Total Rebate</b>		<b>\$22.09</b>			<b>\$77.06</b>			<b>\$47.07</b>			<b>\$37.33</b>	<b>\$183.55</b>